

106TH CONGRESS
2D SESSION

H. R. 4508

To extend programs and activities under the Elementary and Secondary
Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2000

Mr. POMEROY (for himself, Mr. LAHOOD, and Mr. BALDACCI) introduced the
following bill; which was referred to the Committee on Education and the
Workforce

A BILL

To extend programs and activities under the Elementary
and Secondary Education Act of 1965.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCELLENCE IN ECONOMIC EDUCATION.**

4 Title X (20 U.S.C. 10101 et seq.) of the Elementary
5 and Secondary Education Act of 1965 is amended by add-
6 ing at the end the following:

**“PART L—EXCELLENCE IN ECONOMIC
EDUCATION**

“SEC. 10995A. SHORT TITLE; FINDINGS.

“(a) SHORT TITLE.—This part may be cited as the
‘Excellence in Economic Education Act of 2000’.

“(b) FINDINGS.—Congress makes the following find-
ings:

“(1) The need for economic literacy in the
United States has grown exponentially in the 1990’s
as a result of rapid technological advancements and
increasing globalization, giving individuals in the
United States more numerous and complex economic
and financial choices than ever before as members of
the workforce, managers of their families’ resources,
and voting citizens.

“(2) Individuals in the United States lack es-
sential economic knowledge, as demonstrated in a
1998–1999 test conducted for the National Council
on Economic Education, a private nonprofit organi-
zation. The test results indicated the following:

“(A) Students and adults alike lack a basic
understanding of core economic concepts such
as scarcity of resources and inflation, with less
than half of those tested demonstrating knowl-
edge of those basic concepts.

1 “(B) A little more than $\frac{1}{3}$ of those tested
2 realize that society must make choices about
3 how to use resources.

4 “(C) Only $\frac{1}{3}$ of those tested understand
5 that active competition in the marketplace
6 serves to lower prices and improve product
7 quality.

8 “(D) Slightly more than $\frac{1}{2}$ of adults in
9 the United States and less than $\frac{1}{4}$ of students
10 in the United States know that a Federal budg-
11 et deficit is created when the Federal Govern-
12 ment’s expenditures exceed its revenues in a
13 year.

14 “(E) Overall, adults received a grade of 57
15 percent on the test and secondary school stu-
16 dents received a grade of 48 percent on the
17 test.

18 “(F) Despite these poor results, the test
19 findings pointed out that individuals in the
20 United States realize the need for under-
21 standing basic economic concepts, with 96 per-
22 cent of adults tested believing that basic eco-
23 nomics should be taught in secondary school.

24 “(3) A range of trends points to the need for
25 individuals in the United States to receive a prac-

1 tical economics education that will give the individ-
2 uals tools to make responsible choices about their
3 limited financial resources, and about the range of
4 economic choices which face all people regardless of
5 their financial circumstances. Examples of the
6 trends include the following:

7 “(A) The number of personal bankruptcies
8 in the United States rose and set new records
9 in the 1990’s, despite the longest peacetime
10 economic expansion in United States history.
11 One in every 70 United States households filed
12 for bankruptcy in 1998. Rising bankruptcies
13 have an impact on the cost and availability of
14 consumer credit which in turn negatively affect
15 overall economic growth.

16 “(B) Credit card delinquencies in the
17 United States rose to 1.83 percent in 1998,
18 which is a percentage not seen since 1992 when
19 the effects of a recession were still strong.

20 “(C) The personal savings rate in the
21 United States over the 5 years ending in 1998
22 averaged only 4.5 percent. In the third quarter
23 of 1999, the personal savings rate dropped to
24 1.8 percent. A decline in savings rates reduces
25 potential investment and economic growth.

1 “(D) By 2030, the number of older per-
2 sons in the United States will grow to
3 70,000,000, more than twice the number of
4 older persons in the United States in 1997. The
5 additional older persons will add significantly to
6 the population of retirees in the United States
7 and require a shift in private and public re-
8 sources to attend to their specific needs. The
9 needs of this population will have dramatic,
10 long-term economic consequences for younger
11 generations of individuals in the United States
12 workforce who will need to plan well in order to
13 support their families and ensure for themselves
14 a secure retirement.

15 “(4) The third National Education Goal des-
16 ignates economics as 1 of 9 core content areas in
17 which teaching, learning, and students’ mastery of
18 basic and advanced skills must improve.

19 “(5) The National Council on Economic Edu-
20 cation presents a compelling case for doing more to
21 meet the need for economic literacy. While an under-
22 standing of economics is necessary to help the next
23 generation to think, choose, and function in a chang-
24 ing global economy, economics has too often been
25 neglected in schools.

1 “(6) States’ requirements for economic and per-
2 sonal finance education are insufficient as evidenced
3 by the fact that, while 39 States have adopted edu-
4 cational standards (including guidelines or proficien-
5 cies) in economics—

6 “(A) only 13 of those States require all
7 students to take a course in economics before
8 graduating from secondary school;

9 “(B) only 25 States administer tests to de-
10 termine whether students meet the economic
11 standards; and

12 “(C) only 27 States require that the eco-
13 nomic standards be implemented in schools.

14 “(7) Improved and enhanced national, State,
15 and local economic education efforts, conducted as
16 part of the Campaign for Economic Literacy led by
17 the National Council on Economic Education, will
18 help individuals become informed consumers, con-
19 scientious savers, prudent investors, productive
20 workforce members, responsible citizens, and effec-
21 tive participants in the global economy.

22 “(8)(A) Founded in 1949, the National Council
23 on Economic Education is the preeminent economic
24 education organization in the United States, having
25 a nationwide network that supports economic edu-

1 cation in the Nation’s schools by working with
2 States, local educational agencies, and schools.

3 “(B) This network supports teacher prepared-
4 ness in economics through—

5 “(i) inservice teacher education;

6 “(ii) classroom-tested materials and appro-
7 priate curricula;

8 “(iii) evaluation, assessment, and research
9 on economics education; and

10 “(iv) suggested content standards for eco-
11 nomics.

12 “(9) The National Council on Economic Edu-
13 cation network includes affiliated State Councils on
14 Economic Education and more than 275 university
15 or college-based Centers for Economic Education.
16 This network represents a unique partnership among
17 leaders in education, business, economics, and labor,
18 the purpose of which is to effectively deliver eco-
19 nomic education throughout the United States.

20 “(10) Each year the National Council on Eco-
21 nomic Education network trains 120,000 teachers,
22 reaching more than 7,000,000 students. By
23 strengthening the Council’s nationwide network, the
24 Council can reach more of the Nation’s 53,000,000
25 students.

1 “(11) The National Council on Economic Edu-
2 cation conducts an international economic education
3 program that provides information on market prin-
4 ciples to the world (particularly emerging democ-
5 racies) through teacher training, materials trans-
6 lation and development, study tours, conferences,
7 and research and evaluation. As a result of those ac-
8 tivities, the National Council on Economic Edu-
9 cation is helping to support educational reform and
10 build economic education infrastructures in emerg-
11 ing market economies, and reinforcing the national
12 interest of the United States.

13 “(12) Evaluation results of economics education
14 activities support the following conclusions:

15 “(A) Inservice education in economics for
16 teachers contributes significantly to students’
17 gains in economic knowledge.

18 “(B) Secondary school students who have
19 taken economics courses perform significantly
20 better on tests of economic literacy than do
21 their counterparts who have not taken econom-
22 ics.

23 “(C) Economics courses contribute signifi-
24 cantly more to gains in economic knowledge

1 than does integration of economics into other
2 subjects.

3 “(13) Through partnerships, the National
4 Council on Economic Education network leverages
5 support for its mission by raising more than
6 \$35,000,000 annually for economic education from
7 the private sector, universities, and States.

8 **“SEC. 10995B. EXCELLENCE IN ECONOMIC EDUCATION.**

9 “(a) PURPOSE.—The purpose of this part is to pro-
10 mote economic literacy among all United States students
11 in kindergarten through grade 12 by enhancing national
12 leadership in economic education through the strength-
13 ening of a nationwide economic education network and the
14 provision of resources to appropriate State and local enti-
15 ties.

16 “(b) GOALS.—The goals of this part are—

17 “(1) to increase students’ knowledge of and
18 achievement in economics to enable the students to
19 become more productive and informed citizens;

20 “(2) to strengthen teachers’ understanding of
21 and competency in economics to enable the teachers
22 to increase student mastery of economic principles
23 and their practical application;

24 “(3) to encourage economic education research
25 and development, to disseminate effective instruc-

1 tional materials, and to promote replication of best
2 practices and exemplary programs that foster eco-
3 nomic literacy;

4 “(4) to assist States in measuring the impact of
5 education in economics, which is 1 of 9 national core
6 content areas described in section 306(c) of the
7 Goals 2000: Educate America Act (20 U.S.C.
8 5886(c)) (as such section was in effect on the day
9 preceding the date of enactment of the Educational
10 Opportunities Act);

11 “(5) to extend strong economic education deliv-
12 ery systems to every State; and

13 “(6) to leverage and expand private and public
14 support for economic education partnerships at na-
15 tional, State, and local levels.

16 **“SEC. 10995C. GRANT PROGRAM AUTHORIZED.**

17 “(a) GRANTS TO THE NATIONAL COUNCIL ON ECO-
18 NOMIC EDUCATION.—

19 “(1) IN GENERAL.—The Secretary is authorized
20 to award a grant to the National Council on Eco-
21 nomic Education (referred to in this section as the
22 ‘grantee’), which is a nonprofit educational organiza-
23 tion that has as its primary purpose the improve-
24 ment of the quality of student understanding of eco-

1 nomics through effective teaching of economics in
2 the Nation’s classrooms.

3 “(2) USE OF GRANT FUNDS.—

4 “(A) ONE-QUARTER.—The grantee shall
5 use $\frac{1}{4}$ of the funds made available through the
6 grant and not reserved under subsection (f) for
7 a fiscal year—

8 “(i) to strengthen and expand the
9 grantee’s nationwide network on economic
10 education;

11 “(ii) to support and promote training,
12 of teachers who teach a grade from kinder-
13 garten through grade 12, regarding eco-
14 nomics, including the dissemination of in-
15 formation on effective practices and re-
16 search findings regarding the teaching of
17 economics;

18 “(iii) to support research on effective
19 teaching practices and the development of
20 assessment instruments to document stu-
21 dent performance;

22 “(iv) to develop and disseminate ap-
23 propriate materials to foster economic lit-
24 eracy; and

1 “(v) to coordinate activities assisted
2 under this section with activities assisted
3 under title II.

4 “(B) THREE-QUARTERS.—The grantee
5 shall use $\frac{3}{4}$ of the funds made available
6 through the grant and not reserved under sub-
7 section (f) for a fiscal year to award grants to
8 State economic education councils, or in the
9 case of a State that does not have a State eco-
10 nomic education council, a center for economic
11 education (which council or center shall be re-
12 ferred to in this section as a ‘recipient’). The
13 grantee shall award such a grant to pay for the
14 Federal share of the cost of enabling the recipi-
15 ent to work in partnership with 1 or more of
16 the entities described in paragraph (3) for 1 or
17 more of the following purposes:

18 “(i) Collaboratively establishing and
19 conducting teacher training programs that
20 use effective and innovative approaches to
21 the teaching of economics.

22 “(ii) Providing resources to school dis-
23 tricts that want to incorporate economics
24 into the curricula of the schools in the dis-
25 tricts.

1 “(iii) Conducting evaluations of the
2 impact of economic education on students.

3 “(iv) Conducting economic education
4 research.

5 “(v) Creating and conducting school-
6 based student activities to promote con-
7 sumer, economic, and personal finance
8 education, such as saving, investing, and
9 entrepreneurial education, and to encour-
10 age awareness and student achievement in
11 economics.

12 “(vi) Establishing interstate and
13 international student and teacher ex-
14 changes to promote economic literacy.

15 “(vii) Encouraging replication of best
16 practices to encourage economic literacy.

17 “(C) ADDITIONAL REQUIREMENTS AND
18 TECHNICAL ASSISTANCE.—The grantee shall—

19 “(i) meet such other requirements as
20 the Secretary determines to be necessary
21 to assure compliance with this section; and

22 “(ii) provide such technical assistance
23 as may be necessary to carry out this sec-
24 tion.

1 “(3) PARTNERSHIP ENTITIES.—The entities re-
2 ferred to in paragraph (2)(B) are the following:

3 “(A) A private sector entity.

4 “(B) A State educational agency.

5 “(C) A local educational agency.

6 “(D) An institution of higher education.

7 “(E) Another organization promoting eco-
8 nomic development.

9 “(F) Another organization promoting edu-
10 cational excellence.

11 “(4) ADMINISTRATIVE COSTS.—The grantee
12 and each recipient receiving a grant under this sec-
13 tion for a fiscal year may use not more than 25 per-
14 cent of the funds made available through the grant
15 for administrative costs.

16 “(b) TEACHER TRAINING PROGRAMS.—

17 “(1) IN GENERAL.—In carrying out the teacher
18 training programs described in subsection (a)(2)(B)
19 a recipient shall—

20 “(A) train teachers who teach a grade
21 from kindergarten through grade 12;

22 “(B) conduct programs taught by qualified
23 teacher trainers who can tap the expertise,
24 knowledge, and experience of classroom teach-

1 ers, private sector leaders, and other members
2 of the community involved, for the training; and

3 “(C) encourage teachers from disciplines
4 other than economics to participate in such
5 teacher training programs, if the training will
6 promote the economic understanding of their
7 students.

8 “(2) RELEASE TIME.—Funds made available
9 under this section for the teacher training programs
10 described in subparagraphs (A) and (B) of sub-
11 section (a)(2) may be used to pay for release time
12 for teachers and teacher trainers who participate in
13 the training.

14 “(c) INVOLVEMENT OF BUSINESS COMMUNITY.—In
15 carrying out the activities assisted under this part the
16 grantee and recipients are encouraged to—

17 “(1) include interactions with the local business
18 community to the fullest extent possible, to reinforce
19 the connection between economic education and eco-
20 nomic development; and

21 “(2) work with private businesses to obtain
22 matching contributions for Federal funds and assist
23 recipients in working toward self-sufficiency.

24 “(d) FEDERAL SHARE.—

1 “(1) IN GENERAL.—The Federal share of the
2 cost described in subsection (a)(2)(B) shall be 50
3 percent. The Federal share of the cost of estab-
4 lishing a State council on economic education or a
5 center for economic education under subsection (f),
6 for 1 fiscal year only, shall be 75 percent.

7 “(2) NON-FEDERAL SHARE.—The non-Federal
8 share may be paid in cash or in kind, fairly evalu-
9 ated, including plant, equipment, or services.

10 “(e) APPLICATIONS.—

11 “(1) GRANTEE.—To be eligible to receive a
12 grant under this section, the grantee shall submit to
13 the Secretary an application at such time, in such
14 manner, and accompanied by such information as
15 the Secretary may require.

16 “(2) RECIPIENTS.—

17 “(A) IN GENERAL.—To be eligible to re-
18 ceive a grant under this section, a recipient
19 shall submit an application to the grantee at
20 such time, in such manner, and accompanied by
21 such information as the grantee may require.

22 “(B) REVIEW.—The grantee shall invite
23 the individuals described in subparagraph (C)
24 to review all applications from recipients for a
25 grant under this section and to make rec-

1 ommendations to the grantee regarding the
2 funding of the applications.

3 “(C) INDIVIDUALS.—The individuals re-
4 ferred to in subparagraph (B) are the following:

5 “(i) Leaders in the fields of economics
6 and education.

7 “(ii) Such other individuals as the
8 grantee determines to be necessary.

9 “(f) SPECIAL RULE.—For each State that does not
10 have a recipient in the State, as determined by the grant-
11 ee, not less than the greater of 1.5 percent or \$100,000
12 of the total amount appropriated under subsection (i), for
13 1 fiscal year, shall be made available to the State to pay
14 for the Federal share of the cost of establishing a State
15 council on economic education or a center for economic
16 education in partnership with a private sector entity, an
17 institution of higher education, the State educational
18 agency, and other organizations.

19 “(g) SUPPLEMENT AND NOT SUPPLANT.—Funds ap-
20 propriated under this section shall be used to supplement
21 and not supplant other Federal, State, and local funds ex-
22 pended for the purpose described in section 10995B(a).

23 “(h) REPORT.—The Secretary shall prepare and sub-
24 mit to the appropriate committees of Congress a report
25 regarding activities assisted under this section not later

1 than 2 years after the date funds are first appropriated
2 under subsection (i) and every 2 years thereafter.

3 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated to carry out this part
5 \$10,000,000 for fiscal year 2001, and such sums as may
6 be necessary for each of the 4 succeeding fiscal years.”.

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